



Sandra L. Wagner  
Director -  
Federal Regulatory

SBC Communications Inc.  
1401 I Street, N.W.  
Suite 1100  
Washington, D.C. 20005  
Phone 202 326-8860

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December 13, 1995

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Ex Parte

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

Re: Pay Phone, RM-8181

Dear Mr. Caton:

Please be advised that today the attached letter was sent to Chairman Reed Hundt and Commissioners Quello, Barrett, Chong, and Ness. Please associate and place this letter in the record of this proceeding.

If you have any questions, please let me know.

Sincerely,

  
Attachment

cc: Regina Keeney  
Kathleen Levitz  
John Morabito

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December 13, 1995

The Honorable Reed E. Hundt  
Federal Communications Commission  
1919 M Street, N.W., Room 814  
Washington, D.C. 20554

Dear Chairman Hundt:

The purpose of this letter is to bring to your attention the likelihood of unintended, yet adverse, outcomes if the Commission proceeds with action on certain pay phone issues. It is our understanding that the Commission is presently considering action on a Petition for Declaratory Ruling, RM 8181, which would propose to treat BOC provided telephones and systems for inmate services as unregulated customer premises equipment. Setting aside the merits, as discussed previously with the Commission, of the action being contemplated, the undersigned believe that the Commission should not consider RM8181 at this time as it could adversely affect the agreements reached by a broad coalition of industry participants in the context of the pending legislation<sup>1</sup>.

Legislation pending now before Congress is likely to include provisions for changes to the pay phone industry which will support growing competition and public benefit. The basic tenets of the legislation were agreed upon by all seven BOCs and by the American Public Communications Council, and reflected input from interexchange carriers. The legislation would require the Commission to establish safeguards to prohibit BOCs from subsidizing or providing preferential treatment for BOC pay phone operations. Passage of legislation, then, would render moot many of the concerns brought to the Commission in the Petition for Declaratory Ruling. Going forward at this time with RM 8181 would consume resources both at the Commission and in the industry which can be better spent on other matters.

Secondly, proceeding with RM 8181 will have the effect of threatening the consensus built by the coalition for legislation. Inmate service is one of several forms of services traditionally provided by public pay phone providers to customers away from their home or business. The pending legislation deals with the pay phone industry, as opposed to a particularly profitable segment of

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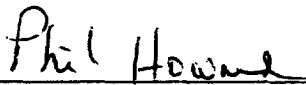
<sup>1</sup>Deregulation of inmate telephones and systems (or any service or system) should create equal competitive opportunities for all providers. In the absence of relief from the MFJ prohibition of BOC provision of interLATA services, BOC providers of inmate services will continue to be significantly disadvantaged in competing for customers in that market. To go forward with deregulation of this limited scope will not create a more competitive market. It would, in fact, make the market less competitive than it is today.

Chairman Reed Hundt  
December 13, 1995  
Page 2

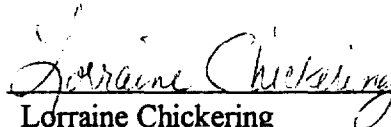
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For these reasons, the undersigned urge the Commission to allow the consensus built by the pay phone industry to remain undisturbed and guide the continuing competitive evolution of the industry. In the event legislation is not passed by this Congress, the Commission should proceed with a comprehensive review of the pay phone industry which will facilitate the same consensus being brought forward in that venue. Only in this way will the public interest be best served in the most timely manner.

Sincerely,



Phil Howard  
VP & General Manager  
Southwestern Bell



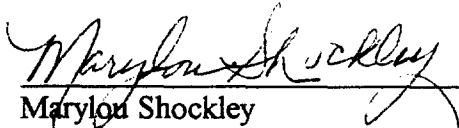
Lorraine Chickering  
President-Public & Operator Services  
Bell Atlantic



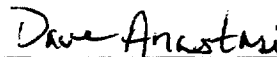
Jim Hawkins  
President  
BellSouth Public Communications



Tom Lamb  
VP-Finance & Strategy  
Ameritech



Marylou Shockley  
VP & General Manager  
Pacific Bell



Dave Anastasi  
VP & General Manager  
Consumer Public Services  
US West



Diane Giacalone  
VP & General Manager  
NYNEX

December 13, 1995

Commissioner James Quello  
Federal Communications Commission  
1919 M Street, N.W., Room 802  
Washington, D.C. 20554

Dear Commissioner Quello:

The purpose of this letter is to bring to your attention the likelihood of unintended, yet adverse, outcomes if the Commission proceeds with action on certain pay phone issues. It is our understanding that the Commission is presently considering action on a Petition for Declaratory Ruling, RM 8181, which would propose to treat BOC provided telephones and systems for inmate services as unregulated customer premises equipment. Setting aside the merits, as discussed previously with the Commission, of the action being contemplated, the undersigned believe that the Commission should not consider RM8181 at this time as it could adversely affect the agreements reached by a broad coalition of industry participants in the context of the pending legislation<sup>2</sup>.

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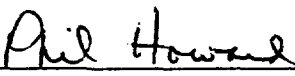
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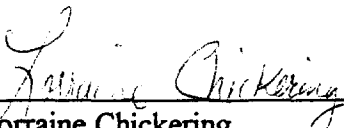
Commissioner James Quello  
December 13, 1995  
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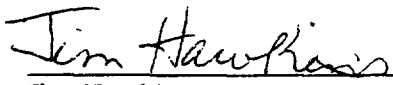
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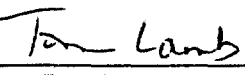
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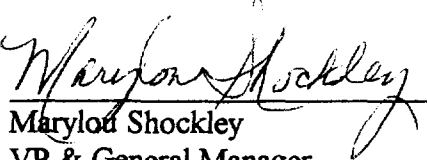
Sincerely,

  
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Phil Howard  
VP & General Manager  
Southwestern Bell

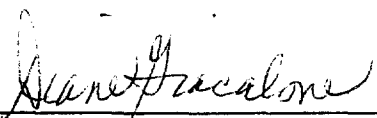
  
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Lorraine Chickering  
President-Public & Operator Services  
Bell Atlantic

  
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Jim Hawkins  
President  
BellSouth Public Communications

  
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Tom Lamb  
VP-Finance & Strategy  
Ameritech

  
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Marylou Shockley  
VP & General Manager  
Pacific Bell

  
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Dave Anastasi  
VP & General Manager  
Consumer Public Services  
US West

  
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Diane Giacalone  
VP & General Manager  
NYNEX

December 13, 1995

Commissioner Andrew Barrett  
Federal Communications Commission  
1919 M Street, N.W., Room 826  
Washington, D.C. 20554

Dear Commissioner Barrett:

The purpose of this letter is to bring to your attention the likelihood of unintended, yet adverse, outcomes if the Commission proceeds with action on certain pay phone issues. It is our understanding that the Commission is presently considering action on a Petition for Declaratory Ruling, RM 8181, which would propose to treat BOC provided telephones and systems for inmate services as unregulated customer premises equipment. Setting aside the merits, as discussed previously with the Commission, of the action being contemplated, the undersigned believe that the Commission should not consider RM8181 at this time as it could adversely affect the agreements reached by a broad coalition of industry participants in the context of the pending legislation<sup>3</sup>.

Legislation pending now before Congress is likely to include provisions for changes to the pay phone industry which will support growing competition and public benefit. The basic tenets of the legislation were agreed upon by all seven BOCs and by the American Public Communications Council, and reflected input from interexchange carriers. The legislation would require the Commission to establish safeguards to prohibit BOCs from subsidizing or providing preferential treatment for BOC pay phone operations. Passage of legislation, then, would render moot many of the concerns brought to the Commission in the Petition for Declaratory Ruling. Going forward at this time with RM 8181 would consume resources both at the Commission and in the industry which can be better spent on other matters.

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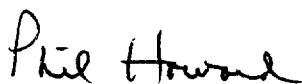
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Commissioner Andrew Barrett  
December 13, 1995  
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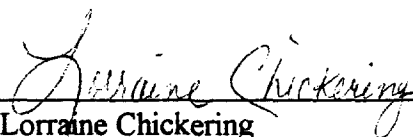
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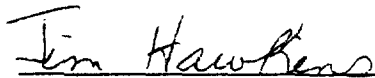
Sincerely,



Phil Howard  
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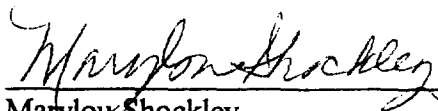
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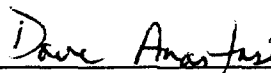
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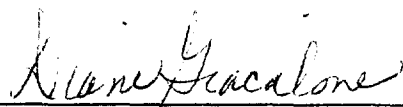
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US West



Diane Giacalone  
VP & General Manager  
NYNEX

December 13, 1995

Commissioner Rachelle Chong  
Federal Communications Commission  
1919 M Street, N.W., Room 844  
Washington, D.C. 20554

Dear Commissioner Chong:

The purpose of this letter is to bring to your attention the likelihood of unintended, yet adverse, outcomes if the Commission proceeds with action on certain pay phone issues. It is our understanding that the Commission is presently considering action on a Petition for Declaratory Ruling, RM 8181, which would propose to treat BOC provided telephones and systems for inmate services as unregulated customer premises equipment. Setting aside the merits, as discussed previously with the Commission, of the action being contemplated, the undersigned believe that the Commission should not consider RM8181 at this time as it could adversely affect the agreements reached by a broad coalition of industry participants in the context of the pending legislation<sup>4</sup>.

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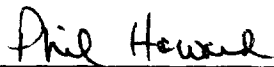


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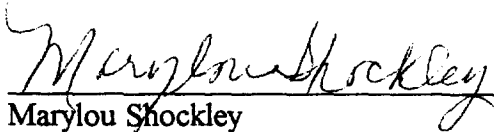
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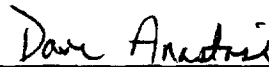
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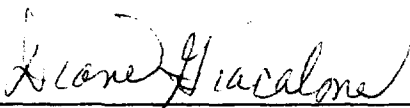
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Dave Anastasi  
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US West



Diane Giacalone  
VP & General Manager  
NYNEX

December 13, 1995

Commissioner Susan Ness  
Federal Communications Commission  
1919 M Street, N.W., Room 832  
Washington, D.C. 20554

Dear Commissioner Ness:

The purpose of this letter is to bring to your attention the likelihood of unintended, yet adverse, outcomes if the Commission proceeds with action on certain pay phone issues. It is our understanding that the Commission is presently considering action on a Petition for Declaratory Ruling, RM 8181, which would propose to treat BOC provided telephones and systems for inmate services as unregulated customer premises equipment. Setting aside the merits, as discussed previously with the Commission, of the action being contemplated, the undersigned believe that the Commission should not consider RM8181 at this time as it could adversely affect the agreements reached by a broad coalition of industry participants in the context of the pending legislation<sup>5</sup>.

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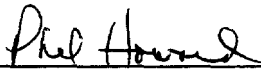
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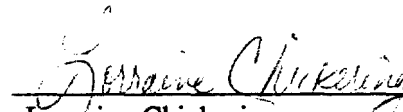
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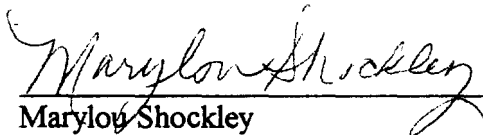
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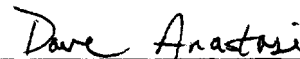
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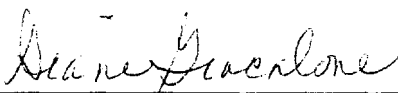
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